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ABSTRACT

This document is one of a series of reports based on the Special Education Expenditure Project, a study of the nation's spending on special education and related services based on analysis of data for the 1999-2000 school year. This report focuses on three questions: "How much is the nation spending on services for students with disabilities?"; "What is the additional expenditure used to educate a student with a disability?"; and "To what extent does the federal government support spending on special education?" A highlights section notes the following: total special education spending (approximately $50 billion); total regular and special education spending on students with disabilities ($77.3 billion); additional expenditure on special education students (about $5,918 per student); percent of total K-12 education expenditures (21%); total spending ratio (1.9 times that of the typical student with no special education needs); and federal funding ($3.7 billion, or $605 per special education student and 7.5% of total special education spending). Separate sections of the report provide an introduction to the study, analysis of total spending on students with disabilities, analysis of allocation of special education expenditures, and analysis of allocation and use of federal funds. Appendices provide data on samples used and the data analyzed. (DB)

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Special Education Expenditure Project: What are we Spending on Special Education Services in the United States, 1999-2000?

By:
Jay G. Chambers
Thomas B. Parrish
Jenifer J. Harr

Report #02-01
March 2002
Updated: September 2002

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Special Education Expenditure Project

Center for Special Education Finance
CSEF

What Are We Spending on Special Education Services in the United States, 1999-2000?

Report 02-01
March 2002

Prepared by: Jay G. Chambers
Thomas B. Parrish
Jenifer J. Harr

Submitted to: United States Department of Education,
Office of Special Education Programs

Updated September 2002

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Finally, the authors wish to acknowledge Phil Esra for his significant contributions to report production. Phil played a major role in editing and formatting this document, and was responsible for the development of the graphic exhibits contained in this report. His diligence and care are greatly appreciated and contribute immeasurably to the quality of the final product.

The following is a comprehensive list of all the individuals who have contributed to the SEEP during the course of the past two years and their various capacities with the project.

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Managers of data collection and processing: James Van Campen, Rafi Youatt, Marie Dalldorf, and Kristi Andes Peterson.

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Data Analysis Team: Maria Perez, Gur Hoshen, Jamie Shkolnik, Amynah Dhanani, Irene Lam, Bob Morris, and John DuBois.

Report production teams: Phil Esra, Jenifer Harr, Leslie Brock, Cheryl Graczewski, Jamie Shkolnik, Irene Lam, and Maria Perez.

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Irene Lam guided the process of cleaning the various databases used in this report, conducted the analysis of transportation expenditures, and worked on analyzing the school database. Irene's work ethic and her high degree of competence have contributed substantially to this report. Irene also worked in close collaboration with Bob Morris, who spent most of his waking hours during the last year constructing the school personnel database, using the primary data collected as part of the SEEP, as well as countless state personnel data systems, and various other state and federal data sources.

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SEEP Reports

This document is a part of a series of reports based on descriptive information derived from the Special Education Expenditure Project (SEEP), a national study conducted by the American Institutes for Research (AIR) for the U.S. Department of Education, Office of Special Education Programs (OSEP). SEEP is the fourth project sponsored by the U.S. Department of Education and its predecessor, the Department of Health, Education and Welfare, in the past 40 years to examine the nation's spending on special education and related services. See Kakalik, Furry, and Carney (1981), Moore, Strang, Schwartz, and Braddock (1988), and Rossmiller, Hale, and Frohreich (1970).

The SEEP reports are based on analyses of extensive data for the 1999-2000 school year. The SEEP includes 23 different surveys to collect data at the state, district, and school levels.[1] Survey respondents included state directors of special education, district directors of special education, district directors of transportation services, school principals, special education teachers and related service providers, regular education teachers, and special education aides. Survey responses were combined with other requested documents and data sets from states, schools, and districts to create databases that represented a sample of more than 9,000 students with disabilities, more than 5,000 special education teachers and related service providers, approximately 5,000 regular education teachers, more than 1,000 schools, and well over 300 local education agencies.

The series of SEEP reports will provide descriptive information on the following issues:

- What are we spending on special education services for students with disabilities in the U.S.?
- How does special education spending vary across types of public school districts?
- What are we spending on due process for students with disabilities?
- What are we spending on transportation services for students with disabilities?
- How does education spending vary for students by disability and what factors explain differences in spending by disability?
- What role do functional abilities play in explaining spending variations for students with disabilities?
- What are we spending on preschool programs for students with disabilities?
- Who are the teachers and related service providers who serve students with disabilities?
- How are special education teaching assistants used to serve students with disabilities?
- What are we spending on special education services in different types of schools?
- How does special education spending vary across states classified by funding formula, student poverty, special education enrollment levels, and income levels?

One of the SEEP reports will also be devoted to describing the purpose and design of the study.

[1] Copies of the SEEP surveys may be obtained from the website at www.seep.org.

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Highlights

- **Total special education spending.** During the 1999-2000 school year, the 50 states and the District of Columbia spent approximately $50 billion on special education services, amounting to $8,080 per special education student.
- **Total regular and special education spending on students with disabilities.** The total spending to provide a combination of regular and special education services to students with disabilities amounted to $77.3 billion, or an average of $12,474 per student. An additional one billion dollars was expended on students with disabilities for other special needs programs (e.g., Title I, English language learners, or gifted and talented students), bringing the per student amount to $12,639.
- **Additional expenditure on special education students.** The additional expenditure to educate the average student with a disability is estimated to be $5,918 per student. This is the difference between the total expenditure per student eligible for special education services ($12,474) and the total expenditure per regular education student ($6,556).
- **Percent of total expenditure.** The total regular and special education expenditure for educating students with disabilities represents over 21 percent of the 1999-2000 spending on all elementary and secondary educational services in the U.S.
- **Total spending ratio.** Based on 1999-2000 school year data, the total expenditure to educate the average student with disabilities is an estimated ***1.90 times*** that expended to educate the typical regular education student with no special needs. This ratio has actually declined since 1985, when it was estimated by Moore et al. (1988) to be 2.28.
- **Total current spending ratio.** Excluding expenditures on school facilities, the ratio of current operating expenditures on the typical special education student is ***2.08 times*** that expended on the typical regular education student with no special needs.
- **Federal funding.** Local education agencies received $3.7 billion in federal IDEA funding in 1999-2000, accounting for 10.2 percent of the additional total expenditure on special education students (or $605 per special education student), and about 7.5 percent of total special education spending. If Medicaid funds are included, federal funding covers 12 percent of the total additional expenditure on special education students (i.e., 10.2 percent from IDEA and 1.8 percent from Medicaid).

I. Introduction

- *How much is the nation spending on services for students with disabilities?*
- *What is the additional expenditure used to educate a student with a disability?*
- *To what extent does the federal government support spending on special education?*

These three questions are the primary focus of this report. All data, unless otherwise indicated, correspond to the 1999-2000 school year.[2]

A Conceptual Framework for Analyzing Special Education Spending

Before presenting the numbers, it is important to distinguish between *total special education spending* and *total spending to educate a student with a disability. Total special education spending* includes amounts used to employ special education teachers, related service providers, and special education administrators, as well as spending on special transportation services and non-personnel items (e.g., materials, supplies, technological supports) purchased under the auspices of the special education program. Some portion of special education spending is used for instructional services that normally would be provided as part of the regular education curriculum offered to regular education students.

In contrast to total special education spending, *total spending to educate a student with a disability* encompasses *all* school resources, including both special and regular education and other special needs programs, used to provide a comprehensive educational program to meet student needs. Most students with disabilities spend substantial amounts of time in the regular education program and benefit from the same administrative and support services as all other students.

With this distinction in mind, the additional expenditure attributable to special education students is measured by the difference between the *total spending to educate a student with a disability and* the *total spending to educate a regular education student* (i.e., a student with no disabilities or other special needs). This concept of additional expenditure emphasizes that what is being measured is a reflection of actual spending patterns on special and regular education students and not a reflection of some ideal concept of what it should cost to educate either student. The numbers presented in this report represent *"what is"* rather than necessarily *"what ought to be."*

An extreme example helps clarify this concept of additional expenditure: consider a student who is served entirely within a special class designed for students with disabilities. This kind of placement is typically provided only to students with severe disabilities and the most significant special needs. In such cases, virtually all of the instructional and related service personnel would be included under special education spending. However, some of the services these students receive in a special class replace

[2] All figures presented in this report are based on a sample of students designed to generalize to the entire population of students with disabilities in the 50 states and the District of Columbia.

instruction that is provided to other students in a regular education classroom. Thus, the only way to measure the additional expenditures used for such severely disabled students is to compare the total spending used to educate these students to the total spending used to educate their regular education counterparts.

Another important conceptual issue that needs to be addressed before presenting the results of the analysis arises from the use of the term *expenditure*. The previous studies of special education have used the term *cost* rather than *expenditure*.[3] However, all of these previous studies and this current study are actually *expenditure* studies. This report has deliberately used the term *expenditure* instead of *cost* to emphasize the fact that all that is being measured is the flow of dollars. The word *cost*, in contrast to *expenditure*, implies that one knows something about results. To say it *cost* twice as much to educate a special versus a regular education student implies that one is holding constant what is meant by the term "educate." All of these studies (including the present study) are focused on expenditures with no implications about the results. The expenditure figures presented represent an estimate of the current behavior of the schools and districts across the nation and imply nothing about what spending is required to provide similar results for students with disabilities.

Overview of Report

The report is divided into the following four sections:

- Total Spending on Students with Disabilities
- Allocation of Special Education Expenditures
- Allocation and Use of Federal Funds
- Summary and Conclusions

Appendix A of this report provides additional information on the samples used for this project. Appendix B presents detailed versions of the tables on which all of the numbers presented in this report are based. Appendix C presents a brief discussion of the data sources.

II. Total Spending on Students with Disabilities

During the 1999-2000 school year, the U.S. spent about $50 billion on special education services. Another $27.3 billion was expended on regular education services and an additional one billion dollars was spent on other special needs programs (e.g., Title I, English language learners, or Gifted and Talented Education) for students with disabilities eligible for special education. Thus, *total spending to educate all students with disabilities* found eligible for special education programs amounted to $78.3 billion (see Exhibit 1).

[3] See Kakalik et al. (1981), Moore et al. (1988), Rossmiller et al. (1970).

Exhibit 1. Total Spending On Students With Disabilities Who Are Eligible For Special Education Services in the U.S., 1999-2000

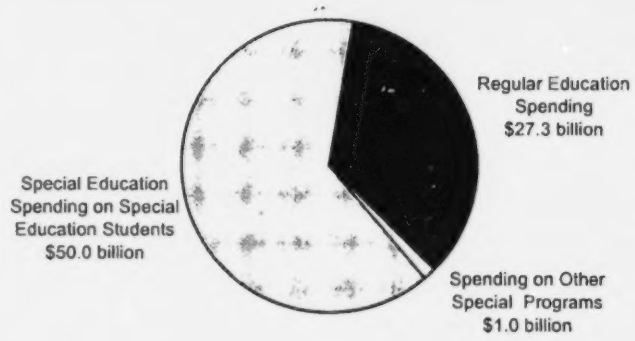
Regular Education Spending $27.3 billion
Special Education Spending on Special Education Students $50.0 billion
Spending on Other Special Programs $1.0 billion

Exhibit 1 reads: Total spending on regular, special, and other special needs education services to all eligible students with disabilities amounts to $78.3 billion, with $50 billion expended on special education services.

In per pupil terms, the *total spending used to educate the average student with a disability* amounts to $12,639 (see Exhibit 2). This amount includes $8,080 per pupil on special education services, $4,394 per pupil on regular education services, and $165 per pupil on services from other special need programs (e.g., Title I, English language learners, or Gifted and Talented Education). The total including only the regular and special education services amounts to $12,474 per pupil.

Based on these figures, the total spending to educate students with disabilities including regular education and special education represents 21.4 percent of the $360.6 billion total spending on elementary and secondary education in the U.S. (see Table B-1, Appendix B).[4] Total special education spending alone accounts for 13.9 percent of total spending and 15.4 percent of total current spending.[5]

[4] Including other special needs programs, the total spending represents 21.7 percent of the total spending on elementary and secondary education.

[5] Total current spending is equal to total spending less the amounts expended on school and district facilities (e.g., school buildings and district offices).

Additional Expenditure to Educate a Student with a Disability

How much more is being expended to educate a student with a disability than a student with no special programmatic needs? In other words, what is the additional *spending* on a student with a disability? Addressing this question permits a comparison of the special education student to a consistent benchmark—the regular education student who requires ***no*** services from any special program (e.g., for students with disabilities, students from economically disadvantaged homes, or students who are English language learners).

Exhibit 2. Calculation of Additional Expenditure on a Student with a Disability, 1999-2000

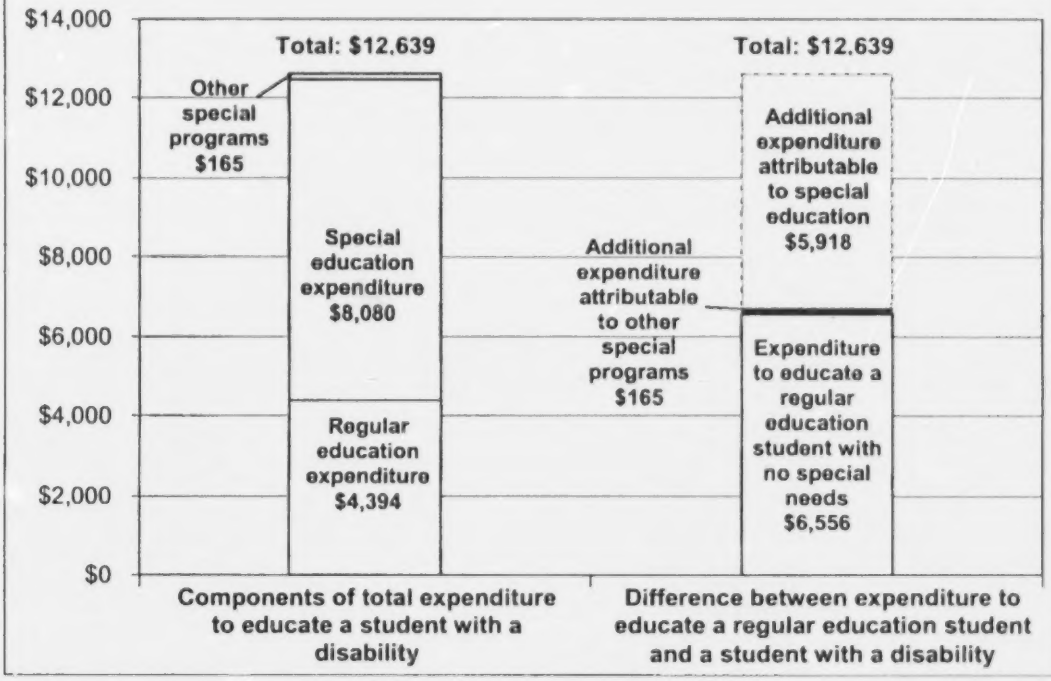
$14,000
$12,000
$10,000
$8,000
$6,000
$4,000
$2,000
$0
Total: $12,639
Other special programs $165
Special education expenditure $8,080
Regular education expenditure $4,394
Components of total expenditure to educate a student with a disability
Total: $12,639
Additional expenditure attributable to special education $5,918
Additional expenditure attributable to other special programs $165
Expenditure to educate a regular education student with no special needs $6,556
Difference between expenditure to educate a regular education student and a student with a disability

Exhibit 2 reads: The additional expenditure to provide regular and special education services to students with disabilities is estimated to be $5,918 (=$12,639 - $165 - $6,556). This concept of *additional expenditure* is the same as the concept of *excess cost* used in a previous study (Moore et al., 1988) of special education expenditures. For a more complete discussion of the use and meaning of these terms, see the section on the *conceptual framework* presented in the current report.

The data derived from SEEP indicate that the base expenditure on a regular education student amounts to $6,556 per pupil. Comparing this figure to the average expenditure for a student eligible to receive special education services, the additional expenditure

amounts to $6,083 per pupil (i.e., $12,639 less $6,556). This additional expenditure reflects the amounts attributable to both the special education and related service needs of the typical student with disabilities as well as the needs of this student for other special programs such as those designed for economically disadvantaged students or English language learners. If one excludes the other special needs programs, the additional expenditure attributable to special education and related services for this student amounts to $5,918 per pupil (i.e., $12,639 less $165 less $6,556; see Exhibit 2).

Alternatively, this additional expenditure can be measured by the difference in the *total spending* to educate a special education student and the total spending on a regular education student. Two alternative ratios may be calculated. As stated previously, the total spending of $12,639 on a typical student with a disability is a comprehensive figure that includes special and regular education services, as well as other special needs programs. The ratio of this expenditure to educate a special education student to the spending on a regular education student (with no special needs) is estimated to be 1.93 (=$12,639/$6,556). Without spending on other special needs programs, the spending ratio may then be estimated as 1.90 ($12,639-$165/$6,556). This suggests that, on average, the nation spends 90 percent more on a special education student than on a regular education student.

In most states, school funding formulas are designed to provide revenues necessary to support current operating expenditures for schools and school districts.[6] Expenditures on capital facilities such as school and central office buildings are funded separately from the standard school funding formulas. The total expenditure figures reported above in Exhibit 2 include both current operating expenditures and estimates of capital expenditures for serving special and regular education students.[7] If one excludes expenditures on capital facilities from the figures above, the ratio of current operating expenditure to educate a special education student relative to a regular education student is 2.08 (or 2.11 if other special programs are included).[8] In other words, the ***additional current operating expenditure*** to educate a special education student is 108 percent of the current operating expenditure to educate a regular education student with no special needs. The reason this ratio increases from 1.90 to 2.08 is that the additional time and personnel required to meet the needs of special versus regular education students exceeds the additional amount of classroom space necessary to serve these needs in relative terms.[9]

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[6] Current operating expenditures include salaries, employee benefits, purchased services, supplies, tuition, and other annual expenditures for operations. Examples of items not included are capital outlays, debt service, facilities acquisition and construction, and property expenditures.

[7] For more details on sources, see footnote 4 to Tables B-1 and B-2 in Appendix B of this report.

[8] This ratio is calculated by dividing *total current expenditures used to educate students with disabilities* (excluding facilities) from Table B-1 ($11,096) by *total current expenditure for a regular education student with no special needs* (excluding facilities) from Table B-3 ($5,325). Thus, the ratio is 2.08 = 11,096 / $5,325. This 2.08 ratio compares to the 1.90 reported previously, and the 2.11 ratio compares to the 1.93 ratio reported in the text (which includes other special needs programs).

[9] Consider the example of a special education student whose needs are met by adding the time of a resource specialist in the regular classroom. There is virtually no additional classroom space required (e.g., capital expenditure), while there is an increase in the time required of professional staff to provide services (e.g., operating expenditure).

Changes in Spending Over Time

Exhibit 3 illustrates how expenditures have changed over time by comparing the findings from this study with those from the previous three studies of special education spending sponsored by the U.S. Department of Education and its predecessor, the Department of Health, Education and Welfare. In constant dollars, total spending on special education has increased from an average of $9,858 per pupil in 1985-86 to $12,474 in 1999-2000, an annualized growth rate of 0.7 percent.[10] During this same period, total expenditure per pupil (including all students) in public elementary and secondary schools increased from $5,795 to $7,597, an annualized growth rate of 0.8 percent.

Exhibit 3. Changes in Special Education Spending Per Pupil Over Time

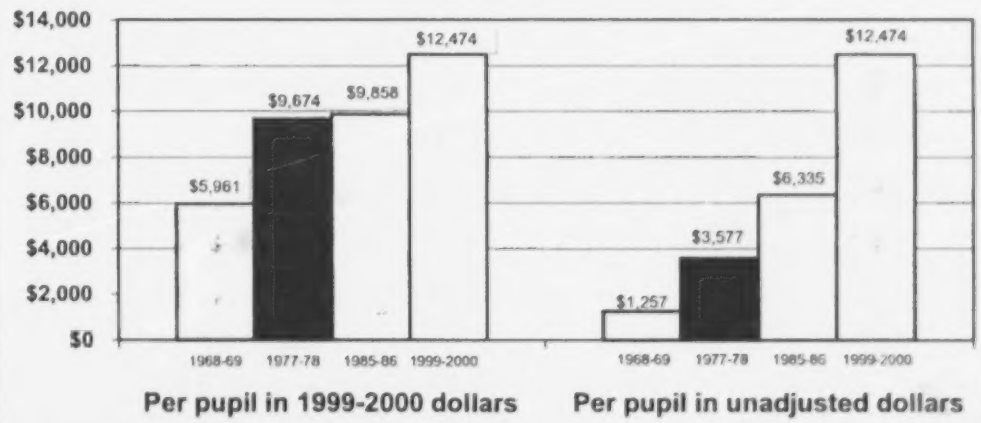

Exhibit 3 reads: In constant dollars, special education spending increased from an average $9,858 per pupil in 1985-86 to $12,474 per pupil in 1999-2000.

Since 1968-69, when the earliest study on special education expenditures was conducted, the total per pupil spending on students with disabilities has risen from $5,961 to $12,474 in constant dollars, while total spending per pupil in all public elementary and secondary schools has increased from $3,106 to $7,597. In other words, total per pupil spending on

[10] Total spending to educate the typical student with a disability amounts to $12,639 per student if Title 1, English language learner, or Gifted and Talented Education services are included.

the average special education student has increased by 110 percent, while total per pupil spending on *all* elementary and secondary education students has increased by 140 percent. The substantial increases in both special and regular education spending may perhaps be accounted for by changes in the supply of, and demand for, school personnel that have affected compensation or changes in the staffing ratios over time.

While per pupil spending for all students increased at a faster relative rate than per pupil spending on students with disabilities, total spending on students with disabilities as a percentage of total education spending increased from about 16.6 percent in 1977-1978[11] to 21.4 percent in 1999-2000. Over the same period, the percentage of students aged 0-22 who were receiving special education services increased from about 8.3 percent to almost 13 percent of the total enrollment. The implication is that the growth in the numbers of students served in special education programs accounts for the increase in spending on special education.

Changes in Spending Ratio Over Time

For the past decade, policymakers, researchers, and practitioners familiar with special education finance have estimated the ratio of *total expenditure to educate a student with a disability* to the *total expenditure to educate the typical regular education student* to be about 2.3.[12] That is, the additional expenditure (i.e., the spending ratio) on a student with disabilities was estimated to be 130 percent more (1.3 times) than the amount spent on a typical regular education student.

Using the 1999-2000 school year SEEP data, this spending ratio is now estimated to be 1.90 or 90 percent more than the amount spent on a typical regular education student. Expressed in dollars, the additional expenditure amounts to $5,918 per pupil over the base expenditure of $6,556.[13] Exhibit 4 shows how the estimated expenditure ratio has changed over the time-span of the four special education expenditure studies. The ratio appears to have increased from 1.92 in 1968-69, to 2.17 in 1977-78, to a high of 2.28 in 1985-86. Since 1985-86, the ratio appears to have declined to 1.90.[14]

[11] The 1977-78 school year was two years after passage of the Education for All Handicapped Children Act, PL 94-142, the predecessor to the Individuals with Disabilities Education Act, or IDEA.

[12] The actual number cited later in this report is 2.28, but most individuals who have quoted the number have rounded it to 2.3.

[13] Estimates of per pupil expenditure for a regular education student are based on a combination of data from the SEEP school surveys and the surveys for those special education students who spend the vast majority of their time in the regular education classroom. Expenditures for these students include both direct instruction as well as administration and support services provided to the typical regular education student.

[14] In addition to estimates based on the current SEEP, these ratios are derived from Kakalik et al. (1981), Moore et al. (1988), and Rossmiller et al. (1970). For a summary of these three previous studies, see Chaikind et al. (1993), Table 7.

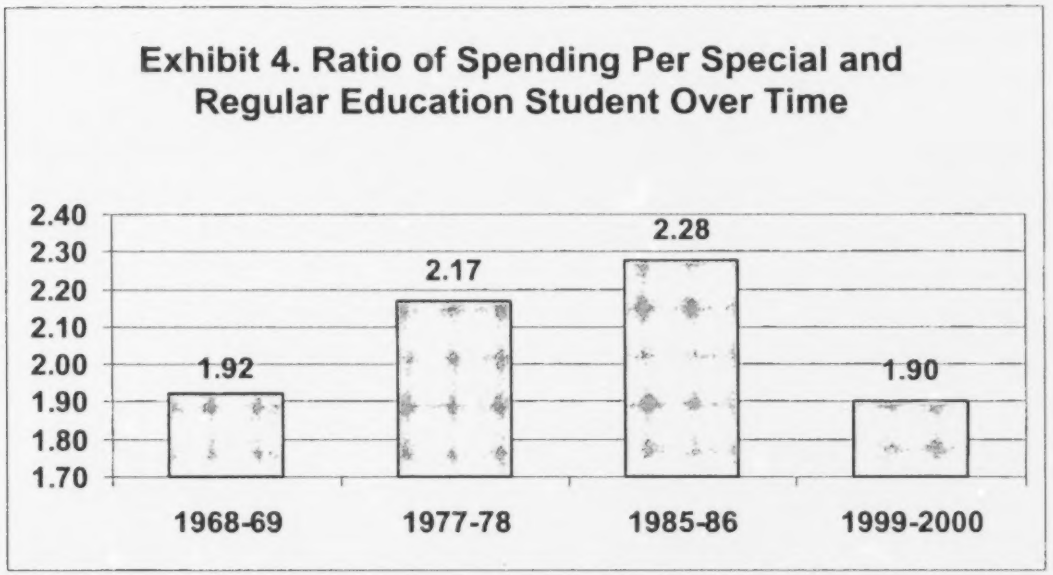

Exhibit 4 reads: In 1985-86, the total expenditure to educate a special education student was 2.28 times that spent on a regular education student. In 1999-2000, this ratio decreased to 1.90.

Several factors have likely affected the changes in this ratio over time. First, there has been a substantial increase in the proportion of students identified with less intensive service needs over recent decades. Since 1975, the proportion of students with learning disabilities has increased from about one-fourth of the population of students with disabilities to almost one-half. The special educational services necessary to meet these students' needs may not be as costly as other disability categories, thus lowering the overall incremental expenditure.

Second, over the past ten years, there has been a decline in the extent to which special education students are served outside of the regular education classroom and in separate school facilities. These trends toward less restrictive placements may have resulted in somewhat lower per pupil expenditures on special education instruction and related services (e.g., home-to-special school transportation).[15]

Working in the opposite direction to *increase* the incremental expenditure are the successes in medical science that have reduced mortality among students with certain severely disabling conditions who might not have survived long enough to be enrolled in special education programs. Some of these students may be among the most severely

[15] See Figure III-1 in the *22nd Annual Report to Congress on the Implementation of the Individuals with Disabilities Education Act*, U.S. Department of Education, Office of Special Education and Rehabilitative Services, Office of Special Education Programs, 2000.

disabled populations served currently under the IDEA, tending to increase the per pupil expenditure necessary to serve students with disabilities overall.[16]

III. Allocation of Special Education Expenditures

Components of Special Education Spending

Focusing on the $50 billion of special education spending, it is useful to see how funds are allocated among different spending components. Special education spending includes central office administration and support of the program, direct instruction and related services for preschool (ages 3 through 5) and school-aged (ages 6 through 22) students, special education summer school, programs for students who are homebound or hospitalized, and special transportation services. Exhibit 5 shows the dollar amount and percentage of special education spending on each of these components.

Exhibit 5. Allocation of Special Education Expenditures, 1999-2000

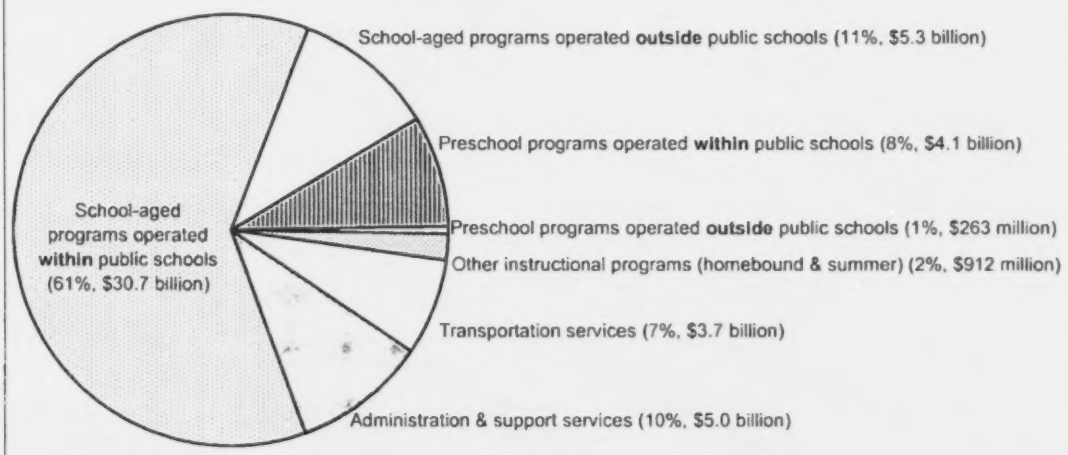
School-aged programs operated **outside** public schools (11%, $5.3 billion)
Preschool programs operated **within** public schools (8%, $4.1 billion)
Preschool programs operated **outside** public schools (1%, $263 million)
Other instructional programs (homebound & summer) (2%, $912 million)
Transportation services (7%, $3.7 billion)
Administration & support services (10%, $5.0 billion)
School-aged programs operated **within** public schools (61%, $30.7 billion)

Exhibit 5 reads: Of the $50 billion spent on special education services, 61 percent or $30.7 billion was expended on school-aged special education programs in public schools.

[16] Further analysis of these trends and their implications will be carried out in subsequent reports based on the SEEP database.

Direct Instruction and Related Services

During the 1999-2000 school year, over 80 percent of total special education expenditures were allocated to direct instruction and related services. This figure includes preschool programs, school-aged programs, summer school programs, and homebound and hospital programs. It takes into account the salaries of special education teachers, related service personnel, and special education teaching assistants. It also includes non-personnel expenditures (i.e., supplies, materials, and capital outlay for specialized equipment) necessary to provide direct special education instruction and related services to students with disabilities.

Direct instruction and related services for special education preschool programs represent approximately 9 percent of total special education expenditures, or $4.4 billion. The majority of preschool spending ($4.1 billion) occurs in schools operated by public school districts. Most of the remaining funds allocated to preschool programs ($263 million) are used to pay tuition and fees for preschool programs operated in non-public schools or public agencies other than public school districts, and to support direct expenditures for additional related services.

At $36 billion, instruction and related services for school-aged students (ages 6-22) account for 72 percent of total special education expenditures. Direct instruction and related services for programs operated by the student's home district amount to approximately $31 billion. This represents more than 60 percent of total special education expenditures, serving almost 5.4 million of the 6.2 million special education students in the 50 states and the District of Columbia. For the approximately 200,000 students placed in non-public school programs or programs operated by public agencies or institutions other than the public school district, the expenditure is $5.3 billion. These expenditures include tuition, fees, and amounts allocated for other related services that are provided by the public school district.

Other instructional programs include homebound and hospital programs, as well as summer school programs for students with disabilities. It is estimated that, for the 1999-2000 school year, just under 40,000 students with disabilities were served in homebound and hospital programs, and that these programs account for less than 0.5 percent, or $98 million, of the total special education spending. Summer school programs serve about 10 percent of the total number of students (623,000) in special education programs, and account for about 1.6 percent ($815 million) of the total special education expenditures.

Administration and Support

Overall, administration and support account for about 10 percent or $5 billion of total special education spending. Administration and support expenditures include three components:

- *Central office administration and support of the special education program -- $4 billion, or 8.2 percent of total special education expenditures.* This expenditure includes salaries of central office employees, fees for contractors, and non-

personnel expenditures to support staff in the performance of central office functions for the special education programs. These functions include administration, coordination, staff supervision, monitoring and evaluation, due process, mediation, litigation support, assessment of student progress, and eligibility determination.

- *Certain categories of related service personnel assigned to the school site--$745 million, or 1.5 percent of total special education expenditures.* These categories of school-site staff spend a substantial portion of their time involved in various indirect support activities related to assessment and evaluation of students with disabilities.[17]

- *Administration and support activities of special education schools--$131 million, or less than 0.3 percent of total special education spending.* These schools are designed explicitly and exclusively for serving students with disabilities—generally the most severely disabled students.[18]

Transportation

It is estimated that approximately 840,000 students with disabilities receive special home-to-school transportation services at a total expenditure of more than of $3.7 billion. These numbers suggest that less than 14 percent of students with disabilities received special transportation services during the 1999-2000 school year, representing about one-fourth of total expenditures on all home-to-school transportation services provided in the U.S.[19]

Since 1985-86, the percentage of students receiving special transportation has dropped by more than half, and the per pupil expenditure (expressed in constant dollars) has increased from about $2,463 to $4,418 (an increase of 80 percent).[20] These comparative data suggest that fewer students are being transported today to separate special education schools and that perhaps only the most severely disabled students, who require more costly accommodations, are currently receiving special transportation services. The evidence further suggests that more students with disabilities are receiving regular transportation services.

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[17] See the section about expenditures on assessment later in this report for a more complete discussion.

[18] Special schools include those operated by public school districts as well as state special education schools.

[19] According to figures reported by the sample districts, it is estimated that total transportation expenditures (regular and special transportation combined) amounts to more than $13 billion per year. Based on these figures, special education transportation represents about 27 percent of total transportation expenditures.

[20] Moore et al. (1988) reported that 30 percent of students with disabilities received special transportation services at an average expenditure per student of $1,583. Using the *Consumer Price Index* (CPI) adjusted to the school year, per student expenditure adjusted to 1999-2000 dollars amounts to $2,463 [=1,583/(108.8/169.3) where 169.3 is the CPI for 1999-2000 school year and 108.8 is the CPI for the 1985-86 school year].

Per Pupil Spending on Special Education Services

Exhibit 6 provides another perspective for exploring special education expenditures by dividing the total expenditure within each special education program component by the number of students served within that component to arrive at per pupil spending. These figures include only the special education expenditures associated with each component; they do **not** include the full expenditure to educate these students since *no regular education instruction or administrative expenditures are included in these numbers*. The full expenditures on these various categories of students will be explored in one of the other reports in this series that will examine expenditures by placement.

Exhibit 6. Per Pupil Special Education Spending, 1999-2000

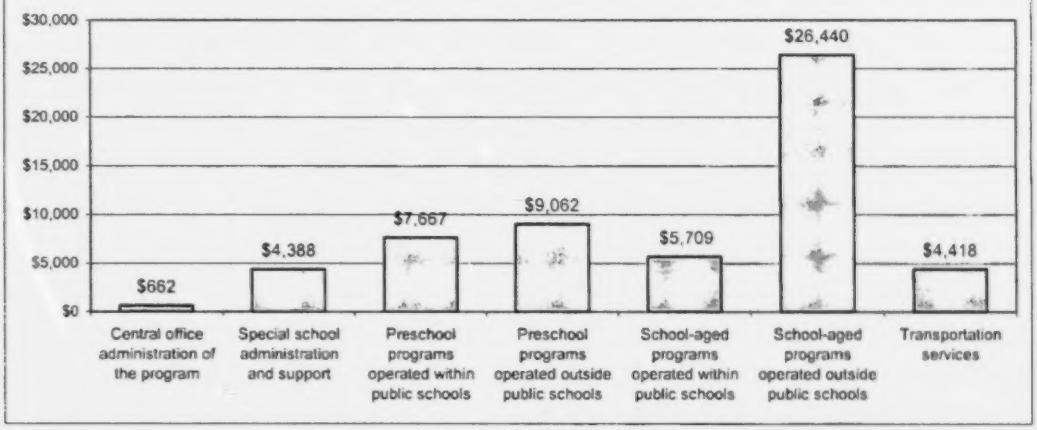

Exhibit 6 reads: An average $7,667 was spent per special education pupil in preschool programs operated within public schools, in contrast to $9,062 for preschoolers in programs operated outside public schools.

Average special education spending on a school-aged student served in programs outside the public schools amounted to $26,440. This figure includes spending on the tuition for non-public schools and expenditures on any direct related services that might be provided by the public school district. In contrast, special education spending on direct instruction and related services for school-aged students served within public schools amounted to $5,709 per pupil. For preschool students, the special education spending on students served in programs operated **outside** public schools amounted to $9,062 per pupil, compared to $7,667 for those students served in preschool programs **within** public schools.

The expenditures on central office administration of the special education program (i.e., the operations of the office of the director of special education within local education

agencies) amounted to $662 per pupil. Administration and support expenditures for operation of a special education school averaged $4,388.[21]

Expenditures on Assessment, Evaluation, and IEP Related Activities

Previous studies have suggested that expenditures for the processes that determine the eligibility of students to be served in the special education program take up a substantial share of total special education spending.[22] For the purposes of this study, determination of eligibility involves a variety of activities including pre-referral and referral activities; initial screening; ongoing assessment, evaluations, and reviews; and preparation of the Individualized Education Program (IEP).[23]

An estimate of expenditures on the determination of eligibility requires additional detailed information on how various types of school and district personnel allocate time among various direct and indirect activities that benefit the students they serve. First, with respect to school-level personnel, the estimates of expenditures on direct instructional and related service personnel reflect both compensation for time spent in direct contact with students and additional non-contact time. This non-contact time includes preparation for instruction and participation in formal and informal meetings, pre-referral activities, screening activities, and other activities involved in initial and ongoing eligibility determination. In essence, the expenditure estimates for certain instructional and related service activities include a multiplier that reflects the ratio of total paid hours of service by the school district to the total hours of direct service or contact with students.

Second, with respect to district-level staff, expenditures on initial and ongoing eligibility determination activities are, for the most part, already reflected in the total salaries and benefits of these central office administration and support staff. Many central office staff, including directors of special education and other professionals, spend substantial portions of their time involved in activities related to eligibility determination.

Third, it is necessary to include expenditures for eligibility determination activities by staff (e.g., psychologists, counselors, social workers, and consulting teachers) assigned by districts to school sites, who spend most of their time involved in assessment activities.

Finally, it is important to recognize that regular education teachers spend some portion of their time involved in activities related to eligibility determination for the special education program. Combining data on how special and regular education personnel allocate their time with the total expenditure estimates of their salaries and benefits, it is

[21] This figure includes both special education schools operated within local school districts as well as those operated by the state such as the state schools for the deaf and blind.

[22] See the discussion in Moore et al. (1988), p. 100.

[23] The IEP contains, among other components, information about the student's progress, a statement of educational goals, an evaluation of the student's needs, and a listing of the types and intensity of services to be provided to the student to meet these needs.

possible to estimate how much of these expenditures were made on various aspects of eligibility determination.

Based on these combined data, it is estimated that total spending on eligibility determination activities, during the 1999-2000 school year, was about $6.7 billion, or $1,086 per special education student.[24] As Exhibit 7 indicates, 28 percent of the total expenditure on these activities is accounted for by salaries and benefits of special education related service providers at the school site, while 27 percent is spent on special education teachers, 23 percent on regular education teachers, and 22 percent on central office special education staff.

Exhibit 7. Assessment, Evaluation, and IEP Related Expenditures, 1999-2000

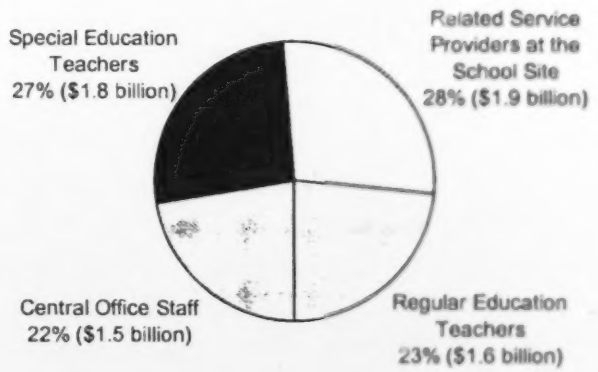

Exhibit 7 reads: Of the approximately $6.7 billion spent on eligibility determination activities, $1.9 billion (28 percent) were spent on the salaries and benefits of related service providers based at the school site.

It is important to recognize that the $1,086 per pupil does not represent the expenditure to determine the eligibility for any given student. While the figures above reflect the best estimates of the total dollars supporting these activities, the denominator is simply the count of special education students. Some students who go through this process for determining eligibility are found ineligible to receive special education services. On the other hand, re-evaluations of students who are already in the special education program can, in many instances, be done with relatively limited effort on the part of staff. Further data and analysis would be necessary to estimate differences in spending on this process

[24] Estimates from previous studies of assessment expenditures are extremely difficult to compare given the different methodologies employed.

of eligibility determination for ongoing versus new special education students and for students with varying types of disabilities or with varying severity of needs.

IV. Allocation and Use of Federal Funds

In 1999-2000, local school districts received a total of $3.7 billion (or $605 per student) in federal IDEA funds for the purpose of providing special education services.[25] As such, federal funds supported 7.5 percent of total special education expenditures at the local level and 4.9 percent of total expenditures used to educate a student with disabilities. When taken as a percent of the additional expenditure on a special versus regular education student, federal IDEA funds amounted to more than 10 percent of the additional expenditure on students with disabilities for the 1999-2000 school year.[26]

Exhibit 8 shows how these federal IDEA funds—basic and preschool—are allocated to instruction, related services, and administration, and it compares the use of federal funds to the use of all federal and non-federal funds that support special education spending.[27] The first vertical bar shows that 63 percent of total special education spending is used for instruction, 27 percent is allocated to related services, and the rest (10 percent) is allocated to administration.

The second and third vertical bars in Exhibit 8 show how federal Part B-basic grants and preschool grants are used. Of those districts reporting the allocation of Part B basic grant funds, 64 percent of the funds were allocated to instruction, 25 percent were distributed to related services, and the remaining 11 percent were spent on administration and support services. In districts reporting how the preschool funds were spent, almost three-fourths of the funds were used for instruction, 21 percent were allocated to related services, and the remaining 6 percent were expended on administration and support services.

[25] These only include federal IDEA Part B funds, basic and preschool grants, that flow through the state education agencies to the local school districts. The average per pupil amount of federal funding awarded to the states for 1999-2000 was about $734 (or $4.5 billion, including $4.2 billion for the basic grant and $371 million for the preschool grant). Approximately 17 percent of the federal funds were retained at the state level.

[26] In fact, federal IDEA funding to local education agencies is 10.2 percent of additional total expenditure (=$605/$5,918) and 10.5 percent of additional total current expenditure (=$605/$5,771) used to educate the average special education student.

[27] It should be noted that data on federal allocation was available for only a subset of the sample districts. For the basic grant, 155 districts reported on the use of federal funds, while 135 districts reported how the preschool grant funds were expended.

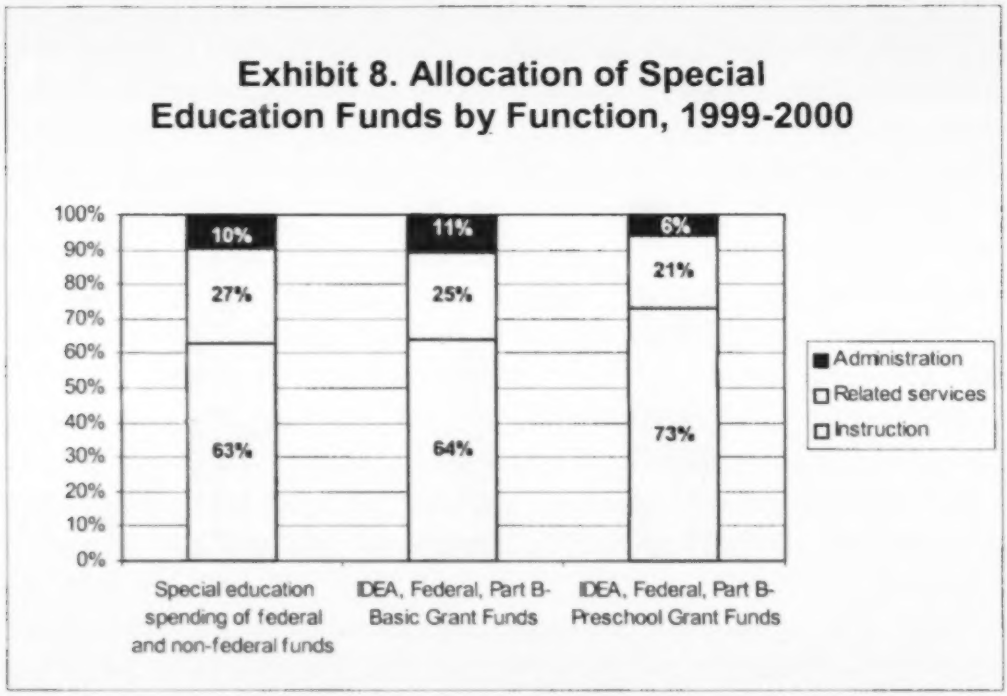

Exhibit 8 reads: In 1999-2000, 64 percent of the $4.2 billion IDEA Basic grant was allocated to instruction, 25 percent to related services, and 11 percent to administration. This is comparable to how all special education funds were spent, with 63 percent on instruction, 27 percent on related services, and 10 percent on administration.

Medicaid is another source of federal funding for providing special education services. Using the data for the subset of reporting districts, 44 percent of districts recovered funds spent on special education services from Medicaid, with an average of $105 per special education student. This represents an estimated national total of $648 million from Medicaid sources, or about 1.3 percent of total special education expenditures, or about 1.8 percent of additional spending on the average student with disabilities.

Thus, as of the 1999-2000 school year, total federal IDEA and Medicaid support of special education spending at the local level represents about 8.8 percent of total special education spending, or about 12 percent of additional spending on special education students.

V. Summary and Conclusions

During the 1999-2000 school year, the 50 states and the District of Columbia spent approximately $50 billion on special education services, amounting to $8,080 per special

education student. However, the total spending to provide a combination of regular and special education services to students with disabilities amounted to $77.3 billion, or an average of $12,474 per student (not including other special needs programs, such as Title I). This total expenditure for educating students with disabilities represents over 21 percent of the 1999-2000 spending on all elementary and secondary educational services in the U.S.

The data presented for this report also suggest that the expenditure used to educate the average special education student is about **1.90** times that expended to educate a regular education student with no special needs. In other words, the **additional expenditure** on the typical special education student is about 90 percent of spending on a regular education student with no special needs. Focusing only on total current operating expenditures (i.e., if one excludes the estimated replacement costs of school facilities), this ratio increases to **2.08** (i.e., 2.08 times the spending on a regular education student).

Over the period from 1977-78 to 1999-2000, total spending to educate special education students has increased from 16.6 percent to 21.4 percent of total education spending, about a 30 percent increase. Over the same period, students identified as eligible for special education services increased from 8.5 to 13 percent of total enrollment, a more than 50 percent increase. At the same time, the ratio of spending on special education students to spending on regular education students has declined from 2.17 to 1.90. Thus, the increase in special education spending that has occurred over the past twenty plus years appears largely a result of increases in the number of students identified as eligible for the program.

Federal support for special education services comes for the most part from the IDEA. In 1999-2000, local education agencies received $3.7 billion in federal IDEA funds, and these funds represent 10.2 percent of the additional expenditure to educate a special education student. In addition, more than two-fifths of districts reported recovering funds spent on special education from Medicaid, and this amounted to an additional $105 per special education student or 1.8 percent of additional expenditure. The combination of federal IDEA and Medicaid funds, therefore, accounted for about 12 percent of additional expenditures on special education students.

This report represents the first in a series of reports that will explore in greater depth the factors that underlie special education spending patterns across local jurisdictions, over time, and on different categories of students. These analyses will show the tremendous diversity of needs represented among students identified as eligible for special education services. The analyses will also explore how student characteristics and the characteristics of districts and states are related to variations in spending on students with disabilities. Further analysis will also examine specific components of special education expenditures such as due process and transportation services.

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Appendix A

SEEP Samples

The SEEP surveys were sent to stratified, random samples of respondents (see "SEEP Reports") that included representatives from the 50 states and the District of Columbia. Samples of school districts were selected within each of the states (a minimum of two districts in each state). Larger states included more districts. Intermediate education units (IEUs) were selected from among IEUs serving the districts included in the sample. IEUs were surveyed only if they received funds directly from the state for serving their students and essentially operated independently of the school districts in the region they serve.

Samples of elementary, secondary, and special education schools were selected from among the sampled districts and IEUs (where appropriate). In addition, state special education schools were also sampled for the purposes of this project.

Expanded samples of districts, IEUs, and schools were also selected for SEEP through a series of nine separate contracts with individual states.[28] These states provided additional support for data collection in these expanded samples of districts and schools. These expanded samples are included in the data reported for the national SEEP.

From within the sample schools, SEEP collected data from all special education teachers and related service providers assigned to these schools. In addition, samples of regular education teachers and special education teacher aides were selected from the staff in these schools.

Finally, the special education teachers and related service providers were each asked to select a sample of two students with disabilities from the rosters of students they serve. To prevent the possibility of a student being selected multiple times, the research team developed sample selection procedures so that students were only selected from the most restrictive placement possible for any given student. The sample selection procedures were designed to ensure that the service provider most knowledgeable about any student completed the survey about the student.

The student sample on which many of the analyses are based comes from 1,053 of the 1,767 schools included in our original sample (representing 45 states and the District of Columbia). This sample includes 330 regular local educational agencies, 14 IEUs, and 7 state special education schools. Analysis of the patterns of response suggests that the samples on which these estimates are based do not appear to exhibit any response bias.

[28]These nine states include Alabama, Delaware, Indiana, Kansas, Missouri, New Jersey, New York, Ohio, and Rhode Island.

Appendix B

Data Used for Report

Table B-1
Total Education Spending to Educate Students with Disabilities in the U.S., 1999-2000
(including regular education and special education but excluding other special needs programs)[1]

Spending Components	Expenditure per student served[2]	Standard error	Total estimated population of special students in this category[3]	Total expenditures[4]	Percent of the total expenditure	Total special education spending	Percent of total special education expenditure
Special Education Central Office Administration and Support[5]							
Professional staff	$477	$83	6,186,822	$2,950,997,900	3.82%	$2,950,997,900	5.9%
Non-certified staff	$90	$10	6,186,822	$555,630,442	0.72%	$555,630,442	1.1%
Contracted personnel	$27	$5	6,186,822	$168,016,184	0.22%	$168,016,184	0.3%
Non-personnel expenditures	$47	$6	6,186,822	$288,739,869	0.37%	$288,739,869	0.6%
Annualized Facilities Expenditures--Central Office Administration of Special Ed Program[6]	$21	$2	6,186,822	$131,380,133	0.17%	$131,380,133	0.3%
Total special central office administration and support	**$662**	**$93**	**6,186,822**	**$4,094,764,528**	**5.30%**	**$4,094,764,528**	**8.2%**
Regular Education Central Office Administration and Support[7]							
Total regular central office administration and support	$503	$14	6,186,822	$3,090,487,900	4.00%		
Annualized Facilities Expenditures--Central Ofc Administration of the District[8]	$27	$3	6,186,822	$165,144,376	0.21%		
Total regular district administration and support	**$530**	**$14**	**6,186,822**	**$3,255,632,276**			
Special Education School Administration and Support[9]							
Professional staff	$1,938	$226	29,848	$57,848,438	0.07%	$57,848,438	0.1%
Non-certified staff	$1,764	$234	29,848	$52,660,771	0.07%	$52,660,771	0.1%
Non-personnel expenditures	$246	$41	29,848	$7,328,372	0.01%	$7,328,372	0.0%
Annualized Facilities Expenditures--non-dess special education school facilities[10]	$440	$23	29,848	$13,122,741	0.02%	$13,122,741	0.0%
Total special school administration and support	**$4,388**	**$407**	**29,848**	**$130,960,322**	**0.17%**	**$130,960,322**	**0.3%**
Regular Education School Administration and Support[11]							
Professional staff	$506	$22	5,894,111	$2,982,491,737	3.86%		
Non-certified staff	$329	$13	5,894,111	$1,940,246,358	2.51%		
Non-personnel expenditures	$47	$5	5,894,111	$276,294,422	0.36%		
Annualized Facilities Expenditures generated by Regular School Admin[12]	$794	$40	5,894,111	$4,682,115,302	6.06%		
Total regular school administration and support	**$1,676**	**$35**	**5,894,111**	**$9,881,147,819**	**12.79%**		
Assessment Expenditures at the School Site on Selected Special Education Staff[13]							
Assessment on sp ed consulting tchr/psyc/cnslrs/soc wkrs	$126		5,923,959	$745,150,102	0.96%	$745,150,102	1.5%
Total Assessment	**$126**		**5,923,959**	**$745,150,102**	**0.96%**	**$745,150,102**	**1.5%**
Preschool Services in Schools Operated by Public School Districts[14]							
Preschool-Regular Education Instructional Services							
Preschool - Regular Teachers	$2,009	$283	264,404	$531,098,536	0.69%		
Preschool - Regular Paraprofessional and aides	$167	$27	256,354	$42,777,538	0.06%		
Preschool Regular- Non-personnel expenditures	$158	$20	290,599	$46,521,455	0.06%		
Annualized Facilities Expenditures Generated by Preschool Regular Classroom Teachers[4]	$417	$43	256,354	$107,018,271	0.14%		
Annualized Facilities Expenditures Generated by Other Preschool Teachers Providing Special Needs Programs (Title I, ESL, GATE)[4]	--	--	--	--	--		
Preschool-Special Education Instruction and Related Services							
Preschool - Special Teachers	$4,107	$466	391,051	$1,606,236,673	2.08%	$1,606,236,673	3.2%
Preschool - Related service staff	$3,389	$490	478,078	$1,620,327,864	2.10%	$1,620,327,864	3.2%
Preschool - Special Paraprofessional and aides	$556	$99	377,150	$209,510,883	0.27%	$209,510,883	0.4%
Preschool - Non-personnel expenditures	$666	$77	539,399	$359,503,379	0.47%	$359,503,379	0.7%
Annualized Facilities Expenditures Generated by Preschool Special Education Teachers[4]	$835	$69	326,519	$272,624,229	0.35%	$272,624,229	0.5%
Annualized Facilities Expenditures Generated by Preschool Resource Specialist & Related Service Providers (pull out)[4]	$203	$49	331,704	$67,482,256	0.09%	$67,482,256	0.1%
Total Preschool Services Operated by Public School Districts	**$9,015**	**$748**	**539,399**	**$4,863,101,075**	**6.30%**	**$4,135,685,284**	**8.3%**
Preschool Services in Operated in Non-public Schools[15]							
External preschool - Tuition and fees	$7,797	$1,145	29,100	$226,876,339	0.29%	$226,876,339	0.5%
External preschool - Related services provided by district	$2,281	$617	16,147	$36,837,822	0.05%	$36,837,822	0.1%
Total Preschool Services Operated by Non-public Schools	**$9,062**	**$1,283**	**29,100**	**$263,714,161**	**0.34%**	**$263,714,161**	**0.5%**
School-Aged Services in Schools Operated by Public School Districts[16]							
School-Aged-Regular Education Instructional Services							
School-aged - Regular Teachers	$2,553	$135	4,141,909	$10,574,985,370	13.69%		
School-aged - Regular Paraprofessional and aides	$191	$24	2,043,075	$389,900,828	0.50%		
School-aged Regular - Non-personnel expenditures	$214	$13	4,226,592	$903,605,998	1.17%		
Annualized Facilities Expenditures Generated by School-Aged Regular Classroom Teachers[4]	$242	$12	3,972,206	$959,365,341	1.24%		
Annualized Facilities Expenditures Generated by Other School-Aged Resource Teachers Providing Special Needs Programs (Title I, ESL, GATE)[4]	--	--	--	--	--		

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Spending Components	Expenditure per student served[2]	Standard error	Total estimated population of special students in this category[2]	Total expenditures[2]	Percent of the total expenditure	Total special education spending	Percent of total special education expenditure
School-Aged-Special Education Instruction and Related Services					0.0%		
School-aged - Special Teachers	$3,765	$157	4,888,728	$18,404,998,580	23.82%	$18,404,998,580	36.8%
School-aged - Related service staff	$3,143	$506	2,378,816	$7,476,420,523	9.68%	$7,476,420,523	14.9%
School-aged - Special Paraprofessional and aides	$338	$28	4,884,156	$1,652,783,046	2.14%	$1,652,783,046	3.3%
School-aged - Non-personnel expenditures	$196	$9	5,384,560	$1,055,862,177	1.37%	$1,055,862,177	2.1%
Annualized Facilities Expenditures Generated by School-Aged Special Education Teachers[4]	$623	$45	2,555,968	$1,591,768,876	2.06%	$1,591,768,876	3.2%
Annualized Facilities Expenditures Generated by School-Aged Resource Specialist & Related Service Providers (pull out)[4]	$143	$7	3,918,071	$560,069,170	0.72%	$560,069,170	1.1%
Total School-aged	**$8,092**	**$232**	**5,384,560**	**$43,569,927,783**	**56.40%**	**$30,741,902,372**	**61.4%**
School-Aged Services in Operated in Non-public Schools or Other Public Agencies[5]							
External school-aged - Tuition and fees	$25,568	$2,369	200,292	$5,121,113,394	6.63%	$5,121,113,394	10.2%
External school-aged - Related services provided by the district	$2,346	$420	74,376	$174,514,452	0.23%	$174,514,452	0.3%
Total External School-aged	**$26,440**	**$2,341**	**200,292**	**$5,295,627,846**	**6.85%**	**$5,295,627,846**	**10.6%**
Homebound and Hospital Programs[10]							
Homebound professional staff	$1,915		38,557	$73,845,729	0.10%	$73,845,729	0.1%
Homebound Non-certified staff	$128		38,557	$4,923,430	0.01%	$4,923,430	0.0%
Homebound contracted personnel	$197		38,557	$7,595,908	0.01%	$7,595,908	0.0%
Homebound non-personnel expenditures	$292		38,557	$11,265,653	0.01%	$11,265,653	0.0%
Total Homebound	**$2,532**		**38,557**	**$97,630,720**	**0.13%**	**$97,630,720**	**0.2%**
Summer Programs[11]							
Summer - Professional staff	$881	$51	623,373	$549,400,083	0.71%	$549,400,083	1.1%
Summer - Non-certified staff	$351	$19	623,373	$218,843,936	0.28%	$218,843,936	0.4%
Summer - Contracted personnel	$51	$4	623,373	$32,097,964	0.04%	$32,097,964	0.1%
Summer - Non-personnel expenditures	$23	$3	623,373	$14,497,730	0.02%	$14,497,730	0.0%
Total Summer School	**$1,307**	**$66**	**623,373**	**$814,839,714**	**1.05%**	**$814,839,714**	**1.6%**
Transportation Services[12]							
Special Transportation	$4,418	$295	839,984	$3,710,889,862	4.80%	$3,710,889,862	7.4%
Regular Transportation	$442	$17	1,125,345	$497,575,993	0.64%		
Total Transportation Services	**$2,141**		**1,965,329**	**$4,208,465,855**	**5.45%**	$3,710,889,862	7.4%
TOTAL EXPENDITURE TO EDUCATE STUDENTS WITH DISABILITIES	**$12,474**	**$336**	**6,191,908**	**$77,252,731,492**	**100.00%**		
TOTAL CURRENT EXPENDITURES USED TO EDUCATE STUDENTS WITH DISABILITIES (excl facilities)	**$11,093**		**6,191,908**	**$ 68,702,640,797**			
TOTAL SPECIAL EDUCATION EXPENDITURES	**$8,080**		**6,191,908**	**$ 50,031,164,911**		**$ 50,031,164,911**	**100.00%**
TOTAL CURRENT SPECIAL EDUCATION EXPENDITURES (i.e., excluding facilities)	**$7,654**		**6,191,908**	**$ 47,394,717,506**			
TOTAL EXPENDITURES ON PUBLIC ELEMENTARY & SECONARY EDUCATION				$360,600,000,000			
Total expenditure to educate a student with a disability as percent of total spending				**21.4%**			
Total special education spending as percent of total spending				**13.9%**			
TOTAL CURRENT EXPENDITURES ON PUBLIC ELEMENTARY & SECONDARY EDUCATION[13]				$307,928,882,000			
Total current expenditure to educate a student with disabilities as percent of total current spending				**22.3%**			
Total current special education spending as percent of total current spending				**15.4%**			
Total federal funds available to LEAs	$605		6,191,908	**$3,746,020,406**			
Percent of Special Education Expenditures supported by federal IDEA funds				**7.5%**			
Percent of Current Special Education Expenditures (excl facilities) supported by federal funds				**7.9%**			
RATIOS OF PER PUPIL EXPENDITURE TO EDUCATE A STUDENT WITH AND WITHOUT DISABILITIES							
Ratio using total expenditure	**1.90**						
Ratio using total current expenditure	**2.08**						
ADDITIONAL EXPENDITURES TO EDUCATE A STUDENT WITH DISABILITIES							
Additional total expenditure per pupil	$5,918		6,191,908	$36,643,711,544			
Additional total current expenditure per pupil	$5,769		6,191,908	$35,719,467,857			
FEDERAL IDEA FUNDING AS PERCENT OF ADDITIONAL EXPENDITURE							
As a percent of additional total expenditure per pupil	10.2%						
As a percent of additional total current expenditure per pupil	10.5%						
MEDICAID FUNDING	$105		6,191,908	$648,016,471			
As a percent of total special education spending	1.3%						
As a percent of additional total expenditure	1.8%						
As a percent of additional total current expenditure	1.8%						
FEDERAL IDEA AND MEDICAID FUNDING OF SPECIAL EDUCATION							
As a percent of additional total expenditure per pupil	12.0%						
As a percent of additional total current expenditure per pupil	12.3%						

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Table B-1 Footnotes

[1] Excludes Title I, ESL, & GATE and uses same sample approach as Moore et al. (1988) for calculating regular education expenditures.

[2] Total expenditures divided by the number of students will not yield the per pupil expenditure that is shown due to rounding.

[3] Special education central administration and support expenditures were estimated from the SEEP District Questionnaire, Part II: Special Education.

[4] Expenditures on facilities are estimated using data about the space requirements for different types of classroom and non-classroom buildings within districts, the cost per square foot of construction, and the average life expectancies of school buildings in different parts of the country. Square footage of different types of classrooms and the allocation of space in school buildings estimated from "The School Design Primer: A How-To Manual for the 21st Century." Estimated costs per square foot for school construction derived from "Building for the Boom, 27th Annual Official Education Construction Report." Average age of school buildings derived from "How Old Are America's Public Schools?" Data were combined and annualized using standard present value calculations and a discount rate of 5% to reflect the relatively low interest rates in the current economy.

[5] Regular education central administration and support expenditures were estimated from the SEEP District Questionnaire, Part III: General Education.

[6] Data were derived from existing state and district databases solicited through the study, and supplemented with information from the questionnaires.

[7] These only represent the expenditures on assessment, evaluation, and other IEP related activities that are not already accounted for in the total salaries of teachers and related services personnel providing direct services to students with disabilities.

[8] These expenditures are calculated from the Information About a Special Education Student survey, combined with information about teacher salaries and benefits from the teacher questionnaires and extant data. Estimates of non-personnel expenditures are based on ratios of non-personnel to personnel expenditures derived from the SEEP District Questionnaires.

[9] From questionnaires about students in non-public schools or public institutions or agencies other than the public school district, excluding state special schools, for which the district pays tuitions or transfers funds.

[10] Homebound and hospital program expenditures per pupil are estimated from the section 5 of the SEEP District Questionnaire, Part II-Special Education survey. Numbers of students served in homebound programs are derived from WESTAT data prepared for the 22nd annual report to Congress from the December 1, 1999 counts of students.

[11] Summer school per pupil expenditures are estimated from section 8 of the SEEP District Questionnaire, Part II: Special Education. Numbers of students served in summer school programs are estimated from the SEEP student survey item that asks whether the child received summer school programs.

[12] Transportation expenditures are estimated from the SEEP student survey item that asks whether the child received transportation services.

[13] Total education expenditures are estimated from the Digest of Education Statistics, 2000, Table 163.

NB: The figures in the 'Expenditure per student served' and 'Estimated total number of students served' columns have been rounded to the nearest decimal point and whole number, respectively. The figures in the 'Total expenditure' column were computed with the unrounded figures.

Table B-2
Total Education Spending to Educate Students with Disabilities in the U.S., 1999-2000
(including regular education, special education and other special needs programs)[1]

Spending Components	Expenditure per student served[2]	Standard error	Total estimated population of special students in this category[3]	Total expenditures[2]	Percent of the total expenditure	Total special education spending	Percent of total special education expenditure
Special Education Central Office Administration and Support[4]							
Professional staff	$477	$83	6,186,822	$2,950,997,900	3.77%	$2,950,997,900	5.9%
Non-certified staff	$90	$10	6,186,822	$555,630,442	0.71%	$555,630,442	1.1%
Contracted personnel	$27	$5	6,186,822	$168,016,184	0.21%	$168,016,184	0.3%
Non-personnel expenditures	$47	$6	6,186,822	$288,739,869	0.37%	$288,739,869	0.6%
Annualized Facilities Expenditures--Central Office Administration of Special Ed Program[5]	$21	$2	6,186,822	$131,380,133	0.17%	$131,380,133	0.3%
Total special central office administration and support	**$662**	**$93**	**6,186,822**	$4,094,764,528	5.23%	$4,094,764,528	**8.2%**
Regular Education Central Office Administration and Support[6]							
Total regular central office administration and support	$503	$14	6,186,822	$3,090,487,900	3.95%		
Annualized Facilities Expenditures--Central Ofc Administration of the District[5]	$27	$3	6,186,822	$165,144,376	0.21%		
Total Regular District Administration and Support	**$530**	**$14**	**6,186,822**	$3,255,632,276			
Special Education School Administration and Support[7]							
Professional staff	$1,938	$226	29,848	$57,848,438	0.07%	$57,848,438	0.1%
Non-certified staff	$1,764	$234	29,848	$52,660,771	0.07%	$52,660,771	0.1%
Non-personnel expenditures	$246	$41	29,848	$7,328,372	0.01%	$7,328,372	0.0%
Annualized Facilities Expenditures--non-class special education school facilities[8]	$440	$23	29,848	$13,122,741	0.02%	$13,122,741	0.0%
Total special school administration and support	**$4,388**	**$402**	**29,848**	$130,960,322	0.17%	$130,960,322	**0.3%**
Regular Education School Administration and Support[9]							
Professional staff	$506	$22	5,894,111	$2,982,491,737	3.81%		
Non-certified staff	$329	$13	5,894,111	$1,940,246,358	2.48%		
Non-personnel expenditures	$47	$5	5,894,111	$276,294,422	0.35%		
Annualized Facilities Expenditures generated by Regular School Admin.[5]	$794	$40	5,894,111	$4,682,115,302	5.98%		
Total regular school administration and support	**$1,676**	**$35**	**5,894,111**	$9,881,147,819	**12.63%**		
Assessment Expenditures at the School Site on Selected Special Education Staff[10]							
Assessment on sp ed consulting tchr/psyc/cnslrs/soc wkrs	$126		5,923,959	$745,150,102	0.95%	$745,150,102	1.5%
Total Assessment	**$126**		**5,923,959**	**$745,150,102**	**0.95%**	$745,150,102	**1.5%**
Preschool Services in Schools Operated by Public School Districts[11]							
Preschool-Regular Education Instructional Services							
Preschool - Regular Teachers	$2,009	$283	264,404	$531,098,536	0.68%		
Preschool - Other Teachers (e.g., Title I, ESL, GATE)	$2,320	$931	46,738	$108,418,923			
Preschool - Regular Paraprofessional and aides	$167	$27	256,354	$42,777,538	0.05%		
Preschool - Other Paraprofessional and aides	$54	$13	33,081	$1,772,791			
Preschool Regular- Non-personnel expenditures	$160	$20	290,599	$46,521,455	0.06%		
Annualized Facilities Expenditures Generated by Preschool Regular Classroom Teachers[5]	$417	$43	256,354	$107,018,271	0.14%		
Annualized Facilities Expenditures Generated by Other Preschool Teachers Providing Special Needs Programs (Title I, ESL, GATE)[5]	$603	$134	34,358	$20,705,672	0.03%		
Preschool-Special Education Instruction and Related Services							
Preschool - Special Teachers	$4,107	$466	391,051	$1,606,236,673	2.05%	$1,606,236,673	3.2%
Preschool - Related service staff	$3,389	$490	478,078	$1,620,327,864	2.07%	$1,620,327,864	3.2%
Preschool - Special Paraprofessional and aides	$556	$99	377,150	$209,510,883	0.27%	$209,510,883	0.4%
Preschool - Non-personnel expenditures	$666	$77	539,399	$359,503,379	0.46%	$359,503,379	0.7%
Annualized Facilities Expenditures Generated by Preschool Special Education Teachers[5]	$835	$69	326,519	$272,624,229	0.35%	$272,624,229	0.5%
Annualized Facilities Expenditures Generated by Preschool Resource Specialist & Related Service Providers (pull out)[5]	$203	$49	331,704	$67,482,256	0.09%	$67,482,256	0.1%
Total Preschool Services Operated by Public School Districts	**$9,258**	**$740**	**539,399**	**$4,993,998,462**	**6.38%**	$4,135,685,284	**8.3%**
Preschool Services in Operated in Non-public Schools[12]							
External preschool - Tuition and fees	$7,797	$1,145	29,100	$226,876,339	0.29%	$226,876,339	0.5%
External preschool - Related services provided by district	$2,281	$617	16,147	$36,837,822	0.05%	$36,837,822	0.1%
Total Preschool Services Operated by Non-public Schools	**$9,062**	**$1,283**	**29,100**	**$ 263,714,161**	**0.34%**	$263,714,161	**0.5%**
School-Aged Services in Schools Operated by Public School Districts[13]							
School-Aged-Regular Education Instructional Services							
School-aged - Regular Teachers	$2,553	$135	4,141,909	$10,574,985,370	13.51%		
School-aged - Other Teachers	$1,940	$224	388,972	$754,595,561			
School-aged - Regular Paraprofessional and aides	$191	$24	2,043,075	$389,900,828	0.50%		

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Spending Components	Expenditure per student served[1]	Standard error	Total estimated population of special students in this category[2]	Total expenditures[2]	Percent of the total expenditure	Total special education spending	Percent of total special education expenditure
School-aged - Other Paraprofessional and aides	$179	$46	259,723	$46,514,070			
School-aged Regular - Non-personnel expenditures	$217	$13	4,237,203	$920,101,319	1.18%		
Annualized Facilities Expenditures Generated by School-Aged Regular Classroom Teachers[3]	$242	$12	3,972,206	$959,365,341	1.23%		
Annualized Facilities Expenditures Generated by Other School-Aged Resource Teachers Providing Special Needs Programs (Title I, ESL, GATE)[4]	$216	$56	352,169	$75,986,387	0.10%		
School-Aged-Special Education Instruction and Related Services					0.0%		
School-aged - Special Teachers	$3,765	$157	4,888,728	$18,404,998,580	23.52%	$18,404,998,580	36.8%
School-aged - Related service staff	$3,143	$506	2,378,816	$7,476,420,523	9.55%	$7,476,420,523	14.9%
School-aged - Special Paraprofessional and aides	$338	$28	4,884,156	$1,652,783,046	2.11%	$1,652,783,046	3.3%
School-aged - Non-personnel expenditures	$196	$9	5,384,560	$1,055,862,177	1.35%	$1,055,862,177	2.1%
Annualized Facilities Expenditures Generated by School-Aged Special Education Teachers[5]	$623	$45	2,555,968	$1,591,768,876	2.03%	$1,591,768,876	3.2%
Annualized Facilities Expenditures Generated by School-Aged Resource Specialist & Related Service Providers (pull out)[6]	$143	$7	3,918,071	$560,069,170	0.72%	$560,069,170	1.1%
Total School-Aged	**$8,258**	**$231**	**5,384,560**	$44,463,515,654	56.81%	$30,741,902,372	**61.4%**
School-Aged Services in Operated in Non-public Schools or Other Public Agencies[7]							
External school-aged - Tuition and fees	$25,568	$2,369	200,292	$5,121,113,394	6.54%	$5,121,113,394	10.2%
External school-aged - Related services provided by the district	$2,346	$420	74,376	$174,514,452	0.22%	$174,514,452	0.3%
Total External School-Aged	**$26,440**	**$2,341**	**200,292**	$5,295,627,846	6.77%	$5,295,627,846	**10.6%**
Homebound and Hospital Programs[8]							
Homebound professional staff	$1,915		38,557	$73,845,729	0.09%	$73,845,729	0.1%
Homebound non-certified staff	$128		38,557	$4,923,430	0.01%	$4,923,430	0.0%
Homebound contracted personnel	$197		38,557	$7,595,908	0.01%	$7,595,908	0.0%
Homebound non-personnel expenditures	$292		38,557	$11,265,653	0.01%	$11,265,653	0.0%
Total Homebound	**$2,532**		**38,557**	$97,630,720	0.12%	$97,630,720	**0.2%**
Summer Programs[9]							
Summer - Professional staff	$881	$51	623,373	$549,400,083	0.70%	$549,400,083	1.1%
Summer - Non-certified staff	$351	$19	623,373	$218,843,936	0.28%	$218,843,936	0.4%
Summer - Contracted personnel	$51	$4	623,373	$32,097,964	0.04%	$32,097,964	0.1%
Summer - Non-personnel expenditures	$23	$3	623,373	$14,497,730	0.02%	$14,497,730	0.0%
Total Summer School	**$1,307**	**$66**	**623,373**	$814,839,714	1.04%	$814,839,714	**1.6%**
Transportation Services[10]							
Special Transportation	$4,418	$295	839,984	$3,710,889,862	4.74%	$3,710,889,862	7.4%
Regular Transportation	$442	$17	1,125,345	$497,575,993	0.64%		
Total Transportation Services	**$2,141**		**1,965,329**	$4,208,465,855	5.38%	$3,710,889,862	**7.4%**
TOTAL EXPENDITURES ON STUDENTS WITH DISABILITIES	**$12,640**	**$335**	**6,191,908**	$78,260,724,897	100.00%		
TOTAL CURRENT EXPENDITURES ON STUDENTS WITH DISABILITIES (excl facilities)	**$11,243**		**6,191,908**	$69,613,942,143			
TOTAL SPECIAL EDUCATION EXPENDITURES	**$8,080**		**6,191,908**	$50,031,164,911		$ 50,031,164,911	**100.00%**
TOTAL CURRENT SPECIAL EDUCATION EXPENDITURES (excl facilities)	**$7,654**		**6,191,908**	$47,394,717,506			
TOTAL EXPENDITURES ON PUBLIC ELEMENTARY & SECONARY EDUCATION				$360,600,000,000			
Total expenditure to educate a student with a disability as percent of total spending				21.7%			
Total special education spending as percent of total spending				13.9%			
TOTAL CURRENT EXPENDITURES ON PUBLIC ELEMENTARY & SECONDARY EDUCATION[12]				$307,928,882,000			
Total current expenditure to educate a student with disabilities as percent of total current spending				22.6%			
Total current special education spending as percent of total current spending				15.4%			
Total federal funds available to LEAs	$605		6,191,908	$3,746,020,406			
Percent of Special Education Expenditures supported by federal funds				7.5%			
Percent of Current Special Education Expenditures (excl facilities) supported by federal funds				7.9%			
RATIOS OF PER PUPIL EXPENDITURE TO EDUCATE A STUDENT WITH AND WITHOUT DISABILITIES							
Ratio of total expenditure	**1.93**						
Ratio of total current expenditure	**2.11**						

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Table B-2 Footnotes

[1] Includes Title I, ESL, & GATE and uses same sample approach as Moore et al (1988) for calculating regular education expenditures.

[2] Total expenditures divided by the number of students will not yield the per pupil expenditure that is shown due to rounding.

[3] Special education central administration and support expenditures were estimated from the SEEP District Questionnaire, Part II: Special Education.

[4] Expenditures on facilities are estimated using data about the space requirements for different types of classroom and non-classroom buildings within districts, the cost per square foot of construction, and the average life expectancies of school buildings in different parts of the country. Square footage of different types of classrooms and the allocation of space in school buildings estimated from "The School Design Primer: A How-To Manual for the 21st Century." Estimated costs per square foot for school construction derived from "Building for the Boom, 27th Annual Official Education Construction Report." Average age of school buildings derived from "How Old Are America's Public Schools?" Data were combined and annualized using standard present value calculations and a discount rate of 5% to reflect the relatively low interest rates in the current economy.

[5] Regular education central administration and support expenditures were estimated from the SEEP District Questionnaire, Part III: General Education.

[6] Data were derived from existing state and district databases solicited through the study, and supplemented with information from the questionnaires.

[7] These only represent the expenditures on assessment, evaluation, and other IEP related activities that are not already accounted for in the total salaries of teachers and related services personnel providing direct services to students with disabilities.

[8] These expenditures are calculated from the Information About a Special Education Student survey, combined with information about teacher salaries and benefits from the teacher questionnaires and extant data. Estimates of non-personnel expenditures are based on ratios of non-personnel to personnel expenditures derived from the SEEP District Questionnaires.

[9] From questionnaires about students in non-public schools or public institutions or agencies other than the public school district, excluding state special schools, for which the district pays tuitions or transfers funds.

[10] Homebound and hospital program expenditures per pupil are estimated from the section 5 of the SEEP District Questionnaire, Part II-Special Education survey. Numbers of students served in homebound programs are derived from WESTAT data prepared for the 22nd annual report to Congress from the December 1, 1999 counts of students.

[11] Summer school per pupil expenditures are estimated from section 8 of the SEEP District Questionnaire, Part II: Special Education. Numbers of students served in summer school programs are estimated from the SEEP student survey item that asks whether the child received summer school programs.

[12] Transportation expenditures are estimated from the SEEP student survey item that asks whether the child received transportation services.

[13] Total education expenditures are estimated from the Digest of Education Statistics, 2000, Table 163.

NB: The figures in the 'Expenditure per student served' and 'Estimated total number of students served' columns have been rounded to the nearest decimal point and whole number, respectively. The figures in the 'Total expenditure' column were computed including all decimals.

Table B-3
Total Expenditure for a Regular Education Student with No Special Needs Served in the U.S., 1999-2000 (School-Aged)

Education Spending Components	Expenditure per student served	Standard error
Regular Education Central Office Administration and Support[1]		
Non class capitalization costs generated by regular district administration	$48	$1
Total regular central office administration and support	**$510**	**$15**
Regular Education School Administration and Support[2]		
Professional Staff	$493	$16
Non-certified staff	$323	$11
Non-personnel expenditures	$50	$4
Annualized Facilities Expenditures generated at the school[3]	$806	$26
Total regular school administration and support	**$866**	**$28**
Regular Education Instruction Services[3]		
School-aged - Regular Teachers	$3,343	$92
School-aged - Paraprofessional and aides	$205	$14
School-aged Regular – Non-personnel expenditures	$273	$9
Annualized Facilities Expenditures generated by classroom teachers	$379	$20
Total School-aged	**$4,083**	**$109**
Transportation Services[4]		
Regular Transportation	**$449**	**$16**
TOTAL EXPENDITURE FOR A REGULAR EDUCATION STUDENT WITH NO SPECIAL NEEDS	**$6,556**	
TOTAL CURRENT EXPENDITURE FOR A REGULAR EDUCATION STUDENT WITH NO SPECIAL NEEDS (excluding facilities)	**$5,325**	

Sampling weight used: Student Regular Education Weights

[1] Regular education central administration and support expenditures were estimated from the SEEP District Questionnaire, Part III: General Education.

[2] Data were derived from existing state and district databases solicited through the study, and supplemented with information from the questionnaires.

[3] These expenditures are calculated from the Information About a Special Education Student survey, combined with information about teacher salaries and benefits from the teacher questionnaires and extant data. Estimates of non-personnel expenditures are based on ratios of non-personnel to personnel expenditures derived from the SEEP District Questionnaires.

[4] Transportation expenditures are estimated from the SEEP student survey item that asks whether the child received transportation services.

Appendix C

Data Sources

Estimated data on individual students with disabilities and the services they receive are the centerpiece of the SEEP analysis. The student database provides detailed information on the personnel expenditures (i.e., salaries and benefits) necessary to provide direct special and regular education services to students with disabilities. Overall averages for non-personnel expenditures are estimated from the general fiscal information provided by the directors of special education in the sample districts.[29]

Per pupil expenditures on central office administration and support of special education programs, homebound and hospital programs, and summer school programs are derived from data obtained directly from the directors of special education in the sample districts. Per pupil estimates of expenditures on regular school administration and personnel support are based primarily on data obtained about individual sample schools attended by the sample students. Estimates of expenditures on regular district administration and support and related non-personnel expenditures for regular school administration and support and for regular instructional expenditures at the school level are based on data derived from the National Center for Education Statistics (NCES).[30]

Expenditures on facilities are estimated using data from a variety of sources about the space requirements for different types of classroom and non-classroom buildings within districts, the cost per square foot of construction, and the average ages of school buildings in different parts of the country.[31]

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[29] It was not possible within the scope of this study to estimate non-personnel expenditures associated with specific disability categories.

[30] National Center for Education Statistics: http://nces.ed.gov/ccd/stfis.html. Public Elementary and Secondary School Revenues and Current Expenditures, by State, Fiscal Year 1998 (IMPUTED FILE). SEEP applied the ratios of non-personnel expenditures to expenditures on instructional salaries, and benefit dollars were estimated from columns [(the sum of columns e16 through e18) divided by the sum of columns e11 through e12)] to instructional personnel expenditure data derived from the SEEP data collection to estimate non-personnel expenditures for instruction. Similarly, SEEP applied the ratios of non-personnel expenditures to expenditures on school administration salaries and benefits [(the sum of columns e265, e255, e245, and e235) all divided by the sum of columns e225 and e215] to school administration personnel expenditures derived from SEEP data collection.

[31] Square footage of different types of classrooms and the allocation of space in school buildings estimated from "The School Design Primer: A How-To Manual for the 21st Century." Estimated costs per square foot for school construction derived from "Building for the Boom, 27th Annual Official Education Construction Report." Average age of school buildings derived from "How Old Are America's Public Schools?" Data were combined and annualized using standard present value calculations and a discount rate of 5% to reflect the relatively low interest rates in the current economy.

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